

Fair Political Practices Commission

Memorandum

To: Chairman Getman, Commissioners Downey, Knox, and Swanson
From: Scott Burritt, Executive Fellow
Subject: Legislative Report
Date: March 29, 2002

Introduction

Important Deadlines

April 26, 2002

Last day for policy committees to hear fiscal bills.

May 10, 2002

Last day for policy committees to hear non-fiscal bills.

Action Item—Commission Discussion

AB 1791 Runner Code of ethics for Designated Employees 3/21/2002

Prohibits the Commission from levying monetary penalties against state or local governmental agencies. Requires the Commission to “promulgate” a “code of ethics” for each agency by January 1, 2004.

Requires that new employees on their first day of employment: (1) complete SEIs; and (2) acknowledge the agency’s conflict of interest code in writing. Provides that employees’ SEIs be reviewed and acknowledged by the agency secretary or designee. Employees negotiating contracts valued at more than \$500,000 must sign a confidentiality agreement, and a pledge to disqualify themselves if they have a financial interest. Provides for Department of General Services (DGS) review of employees’ SEIs when participating in these contracting decisions, and for DGS to make written findings on potential conflicts of interest. Possible conflicts of interest are referred to FPPC for priority review. Makes the Commission repository for each agency’s conflict of interest codes and designated employees’ SEIs. Appropriates \$1.5 million to the Commission to create an online system for filing SEIs and for public access via the Internet. (See accompanying analysis and bill.) **Hearing scheduled in Assembly Elections 4/2/02.**

Staff recommendation: oppose unless amended to provide only for online filing appropriation.

AB 1797 Harman Conflict of Interest; Disqualification 3/13/2002

Requires public officials and office holders specified in Section 87200 who have a financial interest in a decision to: (a) publicly state the nature of the conflict; (b) recuse himself or herself; (c) leave the room until the matter is concluded. Staff to meet with author’s office and League of California Cities, and report to Commission at April meeting. As author’s amendments are pending, no bill or analysis is provided. **Hearing scheduled in Assembly Elections 4/16/02.**

AB 2366 Dickerson Financial Interests in Small Jurisdictions 2/21/02

Provides that in jurisdictions with populations of 10,000 or less, retail sales income from a customer would not be considered a disqualifying financial interest if the customers of the business constitute a significant segment (10%) of the public generally. The exception would apply regardless of whether 1) the customer affected by a governmental decision is a primary source of income to the public official or 2) the effect of the decision on the customer is significantly different from its effect on other retail customers. (See accompanying analysis and bill.) **Hearing scheduled in Assembly Elections 4/2/02.**

Staff recommendation: oppose.

LEGISLATIVE REPORT

AB 2642 Maddox Eliminates Duplicate Campaign Filing Requirement 2/22/02

Eliminates duplicate campaign reporting filings at the local level for state office candidates. The bill also lowers the electronic filing threshold from \$50,000 to \$10,000. (See accompanying analysis and bill.)

Hearing scheduled in Assembly Elections 4/2/02. Staff recommendation: oppose unless amended.

Informational Item— Bills Amending the PRA

<u>Bill No.</u>	<u>Author</u>	<u>Title</u>	<u>(Intro)/Amend</u>
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AB 374 Matthews Slate mailers: peace officer or firefighter organizations 7/2/2001

Requires a slate mailer that purports to represent the position of a peace officer or firefighter organization to include the number of members the organization has statewide and in the counties in which the mailer is sent; prohibits any slate mailer that is untruthful or misleading. Also replaces with asterisks (“***”) the dollar signs (“\$\$\$”), previously enjoined by the federal court, required by Prop 208 to be printed next to the name of any candidate or measure paying to appear in a mailer. **In Senate Elections.**

AB 690 Wesson Telephone advocacy 8/21/2001

Provides that a candidate, committee or other organization may not expend campaign funds to pay for 1,000 or more similar telephone calls to support or oppose a candidate or ballot measure unless the name of the organization that authorized or paid for the call is disclosed during the course of each call. Amendments taken to require committee to retain script or recording of call. **In Senate Appropriations.**

AB 1500 Hertzberg Statewide Initiatives; Procedures 9/14/2001

This bill would require that initiative proponents provide all names of contributors of more than \$100 for the previous 12 months to the Secretary of State within 30 days of requesting a title and summary. Requires committees that receive or spend \$1,000 or more to file monthly campaign reports. Requires committees that receive \$5,000 or more to electronically report contribution within 48 hours. Committees must disclose name and amount of contribution of top five contributors on mass mailers. This bill is the vehicle for the findings of the Speaker’s Commission on the California Initiative Process and is expected to be substantially amended before being moved out of the Senate. **In Senate Elections.**

AB 2082 Longville Public Inspection of Campaign statements 2/19/02

Provides that campaign records must be available for public inspection in the offices of the Secretary of State, Registrar-Recorder of Los Angeles County, Registrar of Voters of San Diego County and Registrar of Voters in San Francisco on the Saturday preceding an election in March. **This is a spot bill. In Assembly Elections.**

AB 2134 Longville Public Financing of Campaigns 2/20/02

This proposed initiative, known as the Campaign Finance Reform Act of 2004, would repeal the ban on public moneys in elections. Creates a system of matching contributions to legislative candidates. Provides the Commission with funding and the administrative mandate to carry out provisions of the bill. If approved by the legislature, this proposed initiative directs the Secretary of State to place it on the ballot on the March 4, 2004 election. **Hearing scheduled in Assembly Elections 4/2/02.**

LEGISLATIVE REPORT

AB 3022 Committee State Agencies: Ethics Orientation

3/7/2002

This bill would expand ethics training requirements to include all employees of a state agency who are required to file statements of economic interest. It would require attendance at the orientation course at least once during each consecutive period of 2 years. **In Assembly Elections.**

AB 3051 Papan Independent Expenditure Disclosure

3/21/2002

This bill would define a "broadcast advertisement" for purposes of this requirement to include a prerecorded telephonic message expressly advocating the election or defeat of a clearly identified candidate. This bill would prohibit an independent expenditure committee from falsely claiming endorsement by any person. Violators subject to \$1,000,000 fine. **May be heard after April 20, 2002.**

SB 3 Brulte Telephone Advocacy

5/22/2001

Prohibits a candidate, committee or slate mail organization from using campaign funds to pay for telephone calls to support or oppose a candidate or ballot measure unless the call announces that it was paid for or furnished by the candidate, committee or slate mail organization. Also amends the definition of "mass mailing" to provide greater specificity and expressly include items delivered by any means to a recipient's home, business, place of employment or post office box. **Assembly Appropriations.**

POSITION: Oppose unless amended.

SB 300 McPherson Bipartisan Commission recommendations

4/23/2001

Deletes the requirement that elected officials who do not maintain committees file semi-annual campaign statements, provided they have made no expenditures and have collected no contributions. May be amended in 2002 to add other recommendations of the Bipartisan ("McPherson") Commission on the Political Reform Act of 1974. **In Assembly Elections.**

SB 1620 Knight Section 17200 SEI Filers

2/21/02

Would make the members of all state boards and commissions, rather than just members of the PUC, Energy Commission, FPPC and Coastal Commission, section 17200 filers. **Hearing scheduled in Senate Elections April 17, 2002.**

SB 1741 Johnson Loan Identification on LCRs

2/21/02

Requires late contribution reports to indicate whether contribution was a loan. **Hearing scheduled in Senate Elections April 3, 2002.**

SB 1742 Johnson Return of Contributions to Candidate

2/21/02

Prohibits candidates from returning contributions made to their own campaigns or controlled committees. **Hearing scheduled in Senate Elections April 3, 2002.**

SB 1781 Johnson Increase of SEI Violation Penalties

2/21/02

This bill would increase the maximum penalty for failing to disclose an economic interest on the Statement of Economic Interest from \$5,000 to \$10,000. Additionally, for unreported economic interests exceeding a value of \$500,000, the Commission may add monetary penalties of the base amount, plus 1% of the unreported economic interest. **Hearing scheduled in Senate Elections April 3, 2002.**

SB 1782 Johnson Consultant Required to File SEIs 2/21/02

Defines consultant as anyone who performs substantially the same duties as an individual holding a position that is listed in the agency's conflict-of-interest code, or who is retained to make decisions that involve the making, or participation in the making, of decisions that may foreseeably have a material effect on financial interest. Agencies wishing to exempt consultants from filing SEIs must seek approval from the Commission, which shall maintain a list of all consultants so exempted. **In Senate Elections.**

SB 1783 Johnson Reportable Economic Interest 2/21/02

Current law requires only disclosure of economic interests that do business in your current jurisdiction. For purposes of reporting economic interests, this bill expands the term jurisdiction to include the state of California. **In Senate Elections.**

SB 1806 Knight Contributions to Governor During Bill Signing Period 2/22/02

Would prohibit a person or a small contributor committee from making contributions to the governor during the period extending 30 days before, and ending the day after, the last day a governor may sign bills into law following adjournment of the legislature. **Hearing scheduled in Senate Elections April 17, 2002.**

SB 1850 Poochigian SEIs Filed 10 days After Statement of Candidacy 2/22/02

Currently candidates must file SEIs at the same time they file their declarations of candidacy. This bill would extend the deadline for candidates to file their SEIs to 10 days after the last day to file their declarations of candidacy. **Hearing scheduled in Senate Elections April 3, 2002.**

SB 2095 Johnson Independent Expenditure Disclosure 3/21/02

This bill requires the Secretary of State to add online disclosure requirements regarding independent expenditure committees with respect to state candidates.

Informational Item—Other Bills

<u>Bill No.</u>	<u>Author</u>	<u>Title</u>	<u>(Intro)/Amend</u>
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SB 798 Speier Gift limitations: Insurance Commissioner 5/1/2001

This bill prohibits those regulated by the insurance commissioner and their representatives from making a contribution or gift to the insurance commissioner or a candidate for insurance commissioner. It excludes employees of regulated entities who make gifts or contributions from their personal funds. The bill also prohibits any attorney or law firm under contract or bidding on or under consideration for a contract to represent the Department of Insurance or the insurance commissioner from making any contribution or gift. This bill amends the Insurance Code and does not modify the Political Reform Act. **Assembly Elections Committee: failed passage; 2-year bill.**

SB 1316 Judiciary Court Unification 4/23/2001

This bill would conform various statutory provisions of law to the abolition of municipal courts and their unification within the superior courts. Deletes reference to municipal court in Government Code Sections 82011 and 84215. This "maintenance-of-the-codes" bill makes technical, non-substantive changes to section 91013.15 by eliminating references to the commission filing claims in small claims and municipal courts to collect unpaid monetary penalties. **In Senate Com. on JUD.**